

PRESS RELEASE

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GOVERNOR O'MALLEY LAUNCHES GENUINE PROGRESS INDICATOR

Innovative tool will allow Marylanders to more accurately measure prosperity and standard of living

ANNAPOLIS, MD (February 3, 2010) — Governor Martin O'Malley today launched the <u>Maryland Genuine</u> <u>Progress Indicator (GPI)</u>, an innovative online tool that will allow policymakers and citizens to more accurately measure the State's standard of living by including indicators of social and environmental health along with traditional economic calculations.

"To give us a truer measure of our prosperity, we are launching the most comprehensive application of the Genuine Progress Indicator any state has ever undertaken," said Governor O'Malley. "In addition to measuring our economic standard of living, this tool allows us to also factor in environmental and social costs of problems like air pollution, crime and income inequality, as well as the *values* of benefits like clean water, education and volunteerism. These indicators will help us make more informed, sustainable policy choices for many years to come."

Developed by experts from several State agencies, the Governor's Office and the University of Maryland, the GPI is designed to complement – but not replace – traditional, strictly economic measurements such as the Gross State Product.

"The GPI will give us a more complete picture as we strive for a sustainable future and grow a stronger economy that will not negatively impact our natural resources or the quality of life of our fellow Marylanders," said Department of Natural Resources Secretary John Griffin, whose agency led the program's development. "The next challenge will be how we use this new tool to inform priorities in investment and policy making."

The Maryland GPI is based on models developed and published by academic institutions as a means for nations, states, and local governments to more accurately measure their standard of living by taking into account economic, social, and environmental well being. To date, several nations and states have calculated their GPIs, but no state has developed and applied it as a public, web-based tool as Maryland does today.

"For far too long we have counted what can be measured in dollars as contributing to our welfare, and we have portrayed it as the goal of business and government to increase the total sum of that value," said Dr. Matthias Ruth, Director of the Center for Integrative Environmental Research at the University of Maryland that developed the GPI calculations and modeling efforts. "Obviously, since some of the damages to our health, our communities, and our environment show up as cost, they get lumped into that dollar total, giving the faulty impression of progress. The calculation of a Genuine Progress Indicator begins to correct the picture of how well-off we actually are. It counts as positive that which is actually positive - time spent with family, volunteer

work in our communities, restoration of the environment, for example - and it subtracts the negative - time spent in our cars or loss of wetlands. "

The GPI incorporates 26 factors in three categories — economic, social and natural — from the costs of crime to the costs of ozone depletion.

"The pure economic activity stemming from the explosive growth of urban sprawl positively contributes to the GSP," explained project leader Sean McGuire of DNR's Office for a Sustainable Future. "Yet, along with sprawl come increased commuting time, increased traffic congestion, land use conversion, and automobile impacts. And those negative impacts are not included in current economic gauges. In short, just because money is exchanging hands within an economy does not necessarily mean that citizens are enjoying sustainable prosperity."

Internationally noted author, entrepreneur, and conservationist Paul Hawken applauded Governor O'Malley's vision in developing the GPI.

"Maryland's Genuine Progress Indicator will allow citizens to create true security and lasting prosperity. A growing economy is always referred to as an unalloyed good, but we do not want to grow crime, environmental degradation, or disease," said Hawken. "What we want to grow are abilities, opportunities, natural resources, education, security, happiness, and possibility. By distinguishing true needs from what is not desirable, Maryland has made a significant leap into an economy that will benefit this and future generations."

Maryland presents the GPI as an educational tool designed to allow the public and policymakers to better balance the costs and benefits of decisions on how to use the resources available to them.

"A strong economy, a clean environment and a healthy citizenry go hand in hand; none can be a true measure of success without supporting the other two," said Governor O'Malley. "The GPI will help us ensure that our economic growth will not come at the cost of our natural resources, and that they both support our progress toward a sustainable future and a better qualify of life for all Maryland families."

The GPI joins a host of innovative interactive tools – such as GreenPrint, BayStat and the Maryland Green Registry – that have been developed for Maryland citizens under Governor O'Malley's Smart, Green & Growing Initiative.

The GPI is available at the State's Smart, Green & Growing website, www.green.maryland.gov\mdgpi

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The Maryland Department of Natural Resources (DNR), which celebrated its 40th anniversary in 2009, is the state agency responsible for providing natural and living resource-related services to citizens and visitors. DNR manages more than 467,000 acres of public lands and 17,000 miles of waterways, along with Maryland's forests, fisheries, and wildlife for maximum environmental, economic and quality of life benefits. A national leader in land conservation, DNR-managed parks and natural, historic, and cultural resources attract 12 million visitors annually. DNR is the lead agency in Maryland's effort to restore the Chesapeake Bay, the state's number one environmental priority. Learn more at www.DNR.Maryland.gov.